Gas Utilisation Policy

2424. DR. M.A.M. RAMASWAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Gas based power plants of the Central Government are not getting sufficient and timely supply of gas for power generation;

(b) if so, the reasons therefor;

(c) whether the Central Government is also finalizing the Gas Utilization Policy;

(d) if so, the details thereof; and

(e) by when the policy will be finalized?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The demand of natural gas in the country is higher than the present availability. However, priority is given to supply of natural gas to gas based power plants of Central Government.

(c) to (e) The Gas Utilization Policy is under formulation.

Revision of CBM policy

2425. SHRIMATI SHOBHANA BHARTIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has framed an extension policy for considering proposals seeking extension in exploration phases under Coal Bed Methane (CBM) contracts;

(b) if so, the details thereof;

(c) whether Coal Bed Methane Exploration Policy would be further revised to boost its exploration; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) Yes, Sir. In order to adopt a transparent and consistent framework for granting extensions in exploration phases, the Government in line with the existing policy of extensions under NELP and pre-NELP contracts, has framed an extension policy for considering proposals seeking extension in exploration phases under CBM contracts. The extension in phases under CBM contracts in terms of this policy framework would be considered within the validity of the over all exploration period. The broad objective of the extension policy is as under:—

(i) To maintain the integrity of the bidding process and the spirit of the contracts to explore and produce CBM gas early.

(ii) To grant reasonable extension of time so as to enable contractors to complete Minimum Work Programme (MWP) or additional exploration work programme.

(iii) Not to delay the execution of development plans or production or the life cycle of the entire project and payment of Royalty, taxes and contractual payments.

(iv) To act as deterrent for seeking unnecessary extensions or holding on to acreages without doing any or little exploration activities.